



**United States Attorney's Office
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Former Chelsea Selectman Sentenced to More Than 7 Years on Extortion and Fraud Charges

Bangor, Maine: United States Attorney Thomas E. Delahanty II announced that **Carole J. Swan**, 56, of Chelsea, Maine, was sentenced today in U.S. District Court in Bangor by Chief Judge John A. Woodcock, Jr. to 87 months in prison and 3 years of supervised release for extortion, federal tax fraud and federal worker's compensation fraud. She was also fined \$125,000 and ordered to pay over \$106,000 in restitution. On July 26, 2013, Swan was convicted on the fraud charges following a three week jury trial. On September 17, 2013, Swan was convicted on the extortion charges following a one week jury trial.

According to the court records and trial evidence, Swan was an elected member of the Chelsea Board of Selectmen. Between January 2010 and February 2011, she used her position to extort and attempt to extort \$20,000 from Frank Monroe Construction, a local construction company that plowed, salted and sanded Chelsea's roads. She also filed false federal income tax returns for tax years 2006 through 2010 in which she under-reported about \$650,000 in gross receipts and sales for her business, Swan Construction, thereby evading about \$145,000 in income and self-employment taxes. She also fraudulently obtained over \$75,000 in worker's compensation benefits, by failing to report, among other things, her ownership of, and work for, Swan Construction and a harness horse racing business, and by under-reporting the hours she worked as a selectman and assessor.

In imposing sentence, Chief Judge Woodcock found that Swan obstructed justice by repeatedly, deliberately and willfully lying throughout the proceedings. Chief Judge Woodcock also noted that Swan breached her duties of honesty and trust to Chelsea and Frank Monroe and described Monroe as "a local hero" for bringing Swan to justice.

The case was investigated by the Federal Bureau of Investigation; the Internal Revenue Service – Criminal Investigations Division; the Department of Homeland Security, Office of Inspector General ("OIG"); the U.S. Department of Labor, OIG, Office of Labor Racketeering and Fraud Investigations; the U.S. Postal Service, OIG; and the Kennebec County Sheriff's Office.

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